

Message Text

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TAGS: EAGR, FAO, UNCTAD, IT

SUBJECT: POSITION PAPER FOR INTENSIVE CONSULTATIONS ON
TOBACCO

REF: GENEVA 3799

ROME PASS U.S. DELS KOCHANER AND ANDREWS

1. IN ACCORDANCE INFO TRANSMITTED REFTEL CONCERNING JUST
RELEASED UNCTAD DOCUMENT, PLEASE AMEND POSITION PAPER
FOR AGENDA ITEM IV (TRADE LIBERALIZATION) AS FOLLOWS:

2. US POSITION, ADD AS PARA. 5--"IF ASKED DELEGATION
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SHOULD BE AWARE THAT ADMINISTRATION SEEKING LEGISLATIVE

AUTHORITY IN TRADE BILL IMPLEMENT GSP AND THAT HOUSE HAS PASSED VERSION THIS BILL. AT THIS TIME, U.S. CAN MAKE NO COMMITMENTS REGARDING PRODUCTS WHICH MAY EVENTUALLY BE INCLUDED UNDER ITS GSP. FYI. IN GSP ILLUSTRATIVE LIST PREPARED BY U.S. IN 1970, NO TOBACCO ITEMS WERE PROPOSED FOR PREFERENCES. END FYI. UNDER TERMS OF PROPOSED LEGISLATION, TARIFF COMMISSION INVESTIGATIONS, INCLUDING PUBLIC HEARINGS WOULD BE HELD ON ANY EXECUTIVE BRANCH PROPOSALS TO DESIGNATE ITEMS ELIGIBLE UNDER GSP."

3. US POSITION, ADD AS PARA. 6--"THE UNCTAD DOCUMENT SUGGESTS THAT THE MTNS BE UNDERTAKEN WITH VIEW TO CHANGING FORM OF TARIFFS IN DEVELOPED COUNTRIES SO THAT INCIDENCE OF TARIFFS IS SAME FOR ALL TYPES TOBACCO. IN U.S. VIEW, AN OVERALL LIBERALIZATION OF TRADE IN AGRICULTURAL SECTOR, INCLUDING TOBACCO SECTOR, IS A PRIORITY OBJECTIVE OF MTNS. THIS MEANS THAT LOWERING LEVEL OF TARIFFS EVEN MORE IMPORTANT THAN MAKING UNIFORM THEIR APPLICATION AS TO TYPES OF PRODUCT. NON-TARIFF BARRIERS MAY ALSO BE MORE IMPORTANT THAN TARIFFS AS OBSTACLE."

4. DISCUSSION, PARA. 3 (POSSIBLE LIBERALIZATION MEASURES) DELETE FIRST TWO PARAGRAPHS WHICH BEGIN "THE U.S. OPPOSES..." AND "U.S. DELEGATE SHOULD POINT OUT..." INSERT AS FIRST PARA THIS SECTION, "REGARDING THE SUGGESTION IN THE UNCTAD DOCUMENT THAT INCIDENCE OF U.S. IMPORT DUTIES IS HIGH, EXCEPT FOR TYPES SUCH AS ORIENTAL TOBACCO WHICH NOT GROWN IN U.S., DELEGATION SHOULD BE AWARE, AS INDICATED DISCUSSION ITEM 2, THAT U.S. DUTIES ON TOBACCO ARE AMONG LOWEST OF ANY IMPORTING COUNTRY. ALSO, DUTY ON ORIENTAL TOBACCO OF 11.5 CENT PER POUND IS ONLY SLIGHTLY BELOW THE FLUE CURED AND BURLEY RATE OF 12.75 CENT PER POUND." RETAIN AS SECOND PARAGRAPH THIS SECTION THE PARAGRAPH BEGINNING "ON NON-TARIFF BARRIERS...". ADD AS THE THIRD PARAGRAPH THIS SECTION. "THE UNCTAD DOCUMENT ALSO SUGGESTS THAT THE MTNS AIM AT PROVIDING COMMITMENTS AS TO THE MAXIMUM VOLUME OF PROTECTED PRODUCTION IN DEVELOPED COUNTRIES. AS NOTED IN SECTION 2 (U.S. TOBACCO PROGRAM), U.S. ALREADY UNCLASSIFIED

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OPERATES A TOBACCO PRODUCTION CONTROL PROGRAM, SUBJECT TO GROWER REFERENDUMS."

5. ON AGENDA ITEM V (PRICING POLICY), PLEASE CHANGE DISCUSSION ITEM 2 (COMPENSATORY PAYMENT ARRANGEMENTS) AS FOLLOWS: LAST SENTENCE OF THIRD PARA SHOULD READ "EVEN WHEN DUTIES NOT BOUND, THE IMPOSITION OF NEW INTERNAL TAXES OR INTERNAL CHARGES OF ANY KIND WOULD HAVE TO

APPLY EQUALLY TO DOMESTICALLY-PRODUCED PRODUCTS OF A LIKE
NATURE IF ART. III OF THE GATT WERE NOT TO BE VIOLATED."

6. ON AGENDA ITEM VI (FURTHER STEPS), PLEASE AMEND
SECOND SENTENCE OF SECOND PARA OF US POSITION ITEM
ONE TO READ "THE U.S. DELEGATE SHOULD IN SUCH CIRCUM-
STANCES INDICATE THAT THE U.S. . . . ETC.". BROWN

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